

FISCAL NOTE

SB 2760 - HB 2707

February 11, 2002

SUMMARY OF BILL: Prohibits a managed care entity from requiring a provider to appeal when the entity has not paid a claim according to the contracted rate. Allows a health insurance entity to deny payment when the request for correction of payment is filed more than 12 months from the original date of payment. A health insurance entity may not retroactively deny coverage after a 12-month period. The insurer is required to give written notice about the basis for any retroactive denial. In cases where benefits were provided to an ineligible individual or recoupment of payment is made the insurer is to provide written notice. After a finding of non-compliance the Department of Commerce and Insurance may impose a penalty 3 times the amount of the claim or \$500 whichever is greater. The bill does not apply to TennCare.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Estimate assumes some increased expenditures in the Department of Commerce and Insurance but the amount is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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